

UNITED STATES DISTRICT  
SOUTHERN DISTRICT OF NEW YORK  
\_\_\_\_\_X

Civil Action No.

CARLOS E. HIDALGO AND MIGDALIA  
VILLAFANE HIDALGO individually.

Plaintiffs,

Vs.

**JURY TRIAL DEMANDED**

OCWEN FINANCIAL CORPORATION  
OCWEN LOAN SERVICING, LLC, AND  
ALTISOURCE PORTFOLIO SOLUTIONS,  
S.A. AND LIBERTY MUTUAL INSURANCE  
COMPANY

Defendants.

-----X

**PRELIMINARY STATEMENT**

1. Plaintiffs Carlos E. Hidalgo and Dahlia Villafane Hidalgo for their Complaint against defendants, allege the following based upon personal knowledge as to their own acts and information and belief as to all other matters, based upon, inter alia, the investigation conducted by and through their attorneys. This is a Breach of contract brought by plaintiffs Carlos E. Hidalgo and Dahlia Villagane Hidalgo on behave of themselves who had mortgage loans serviced by Defendants Ocwen Financial Corporation, Ocwen Loan Services, LLC. and Altisource Portfolio Solutions, S.A. and Liberty Insurance Company in connection therewith were forced to accept substantially subpar repairs to their residences as a

result of the conduct of the defendants.

As a result of a fire to the Plaintiff's residence on or about March 2015, their residence was substantially damaged. In discharging their duties and obligations as mortgage servicers, defendants caused the repairs to be made in a extremely substandard way. The premises are unlivable.

### **JURISDICTION AND VENUE**

2. This Court has diversity jurisdiction pursuant to 28 US Code 1332 (1)

Given that minimal diversity exist among plaintiffs and defendants, there exceed \$2,000,000.

3. Venue is proper in this district under 28 USC Section 1391 (b) because one Or more defendants maintain a principal place of business in this district regularly Conducts business in this district and/or a substantial part of the events giving Rise to the claim occurred in this district.

### **PLAINTIFFS**

4. Plaintiff Carlos E. Hidalgo and Migdalia Villafane Hidalgo, husband and wife, are residents of Mount Vernon, New York. They are the owners of a house located at 19 Willard Avenue, Mount Vernon, New York. They have not lived in it since the fire because the house is unlivable. The defendants claim it has been fully repaired.

### **DEFENDANTS**

5. Defendants Ocwen Financial Corporation, Ocwen Loan Services, LLC. and Altisource Portfolio Solutions, S.A. maintain close relationships with each other and work together as they did in this case, hiring, appointing or other interlocking with each other in business dealings. Ocwen Financial Corporation is the parent corporation. Ocwen Loan Services, LLC is a subsidiary of Ocwen financial. Altisource Solutions, S.A. is a spinoff in 2009 of Ocwen Financial.

6. Defendant Ocwen Financial Corporation is a Florida Corporation having its principal place of business located at 2002 Summit Boulevard 6<sup>th</sup> Floor, Atlanta Georgia 30319.

7. Ocwen Loan Services, LLC is a Delaware Limited Liability Company having a Principal place of business 1661 Worthington Road Suite, 100, West Palm Beach Florida 33409.

8. Altisource Portfolio Solutions S.A. is a Luxembourg Corporation with its principal place of business at a40, Avenue Monterey L-2163 Luxembourg Grand Duchy of Luxembourg (352) 24 69 79 00.

9. Liberty Mutual Insurance Company is Boston,Massachusetts Company with their principal place of business at 175 Berkeley Street, Boston, MA 02116

### **STATEMENT OF FACTS**

10. On or about February 3, 1999, Mr. and Mrs. Hidalgo purchased a one family house located at 19 Willard Avenue, Mount Vernon, NY and taking out a

mortgage on the house. On or about March 2105, a fire occurred in the house which did substantial damage to the house rendering it unliveable. The three Defendants are the mortgage servicers for the mortgage servicers for the mortgage on the house.

11. Liberty Mutual Insurance company that insured the house against fire damage.

12. With the knowledge and prior approval of the defendants, plaintiffs on or about April 10, 2015 entered into a contract for services to repair the house with Universal Sales Consultants, Inc., a New Jersey corporation.

13. Defendant Altisource controlled the payment of insurance funds from Liberty Mutual Insurance Co. to pay Universal Sales Consultants for its work. As the work was being done on the repairs, plaintiffs complained to all defendants that the work done to the house by Universal Sales Consultants was not satisfactory. Nevertheless, the defendants especially Altisource, caused Liberty Mutual Insurance Company to pay Universal Sales Consultants. No matter what plaintiffs told the defendant about the poor quality of the work being done by Universal Sale Consultants, the defendants would not do anything to correct the situation, such as withhold payment of insurance payments for the repairs. The end result of this is that the house is not correctly repaired. In fact, it is not livable to date.

14. In addition, Universal Sales Consultants, Inc. has filed for Chapter 7 Bankruptcy protection. In Re: Universal Sales Consultants, Inc. 16-30690-SLM, (Bankr Ct. D NY)

### **BREACH OF CONTRACT**

15. Plaintiffs repeat and reallege the preceding allegations of this complaint as if fully set forth.

16. A valid agreement existed between plaintiff and defendants by virtue of the Mortgage on plaintiffs' house. The defendants breached the agreement in at least the following ways:

- a. Failure to properly supervise the repair work done to plaintiffs house;
- b. Failure to accomplish the repairs in accordance with the relevant Building code;
- c. Failure to properly perform claims handling obligations necessary to Protect plaintiff's interests.

17. Plaintiffs have suffered, and will continue to suffer, damages as a result of Defendants' breach of the agreement.

### **BREACH OF FIDUCIARY DUTY**

18. Plaintiffs repeat and reallege the preceding allegations of this complaint as if fully set forth.

19. As plaintiffs' advisor and administrative agent, defendants undertook to act as plaintiffs' agent. As a matter of law, fiduciary relationship arose between

Defendants and plaintiffs pursuant to which defendants owed duties of good faith, due care, loyalty and full disclosure to plaintiffs.

20. In reasonable reliance on defendants' affirmative misrepresentations of material facts and omissions of material facts, plaintiffs entered into contractual relationships with Universal Sales Consultants, authorized and consummated substantial transactions, accepted and relied upon defendants' financial advice and counseling, and refrained from pursuing other financing alternatives.

21. Defendants intended for plaintiffs to rely on affirmative misrepresentations material facts and omissions of material facts.

22. Defendants breached its fiduciary duties to plaintiffs, which caused and continues to cause plaintiff substantial injury and harm.

23. Accordingly, plaintiffs seeks to recover an award of actual damages in an amount to be determined by the trier of fact.

**WHEREFORE**, plaintiff demands judgment against the defendants, Jointly and severally, as follows:

A. In favor the plaintiffs in an amount to be determined by a jury for each of plaintiff's causes of action;

B. Awarding plaintiff punitive damages in an amount to be determined by a jury;

C. Awarding plaintiff reasonable attorneys' fees, costs and disbursements of

this action; and

D. Granting such other and further relief as this Court deems just and proper.

**JURY DEMAND**

Plaintiff demands a trial by jury.

DATED: Mount Vernon, NY  
April 15, 2019

TO: Ocwen Financial Corporation  
2002 Summit Boulevard 6<sup>th</sup> Floor,  
Atlanta Georgia 30319.

Ocwen Loan Services, LLC  
1661 Worthington Road Suite, 100,  
West Palm Beach Florida 33409.

Altisource Portfolio Solutions S.A  
a40, Avenue Monterey L-2163  
Luxembourg Grand  
Duchy of Luxembourg

Liberty Mutual Insurance Company  
175 Berkeley Street  
Boston, MA 02116

Yours, etc.,

/s/ Lauren P. Raysor  
Lauren P. Raysor, Esq.  
Bar#: lr 1551  
Attorney for the Plaintiffs  
11 West Prospect Avenue  
New York, NY 10550  
914/733-8080  
lpraysor@aol.com